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HOUSE BILL 995

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Hector H. Balderas

AN ACT

RELATING TO TAXATION; PROVIDING FOR COMPENSATING TAX DEDUCTIONS
FOR CERTAIN BIOMASS-RELATED MATERIALS AND EQUIPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Gross Receipts and
Compensating Tax Act is enacted to read:

"~~[NEW MATERIAL]~~ DEDUCTION--COMPENSATING TAX--BIOMASS-
RELATED EQUIPMENT--BIOMASS MATERIALS.--

A. The value of a biomass boiler, gasifier,
furnace, turbine-generator, storage facility, feedstock
processing or drying equipment, feedstock trailer or
interconnection transformer may be deducted in computing the
compensating tax due.

B. The value of biomass materials used for
processing into biopower, biofuels or biobased products may be

underscoring material = new
~~[bracketed material] = delete~~

1 deducted in computing the compensating tax due.

2 C. As used in this section:

3 (1) "biobased products" means products created
4 from plant- or crop-based resources such as agricultural crops
5 and crop residues, forestry, pastures and rangelands that are
6 normally made from petroleum;

7 (2) "biofuels" means biomass converted to
8 liquid or gaseous fuels such as ethanol, methanol, methane and
9 hydrogen;

10 (3) "biomass material" means organic material
11 that is available on a renewable or recurring basis, including:

12 (a) forest-related materials, including
13 mill residues, logging residues, forest thinnings, slash,
14 brush, low commercial value materials or undesirable species,
15 salt cedar and other phreatophyte or woody vegetation removed
16 from river basins or watersheds and woody material harvested
17 for the purpose of forest fire fuel reduction or forest health
18 and watershed improvement;

19 (b) agricultural-related materials,
20 including orchard trees, vineyard, grain or crop residues,
21 including straws and stover, aquatic plants and agricultural
22 processed co-products and waste products, including fats, oils,
23 greases, whey and lactose;

24 (c) animal waste, including manure and
25 slaughterhouse and other processing waste;

.155982.1

underscored material = new
~~[bracketed material] = delete~~

1 (d) solid woody waste materials,
2 including landscape or right-of-way tree trimmings, range land
3 maintenance residues, waste pallets, crates and manufacturing,
4 construction and demolition wood wastes, excluding pressure-
5 treated, chemically treated or painted wood wastes and wood
6 contaminated with plastic;

7 (e) crops and trees planted for the
8 purpose of being used to produce energy;

9 (f) landfill gas, wastewater treatment
10 gas and biosolids, including organic waste byproducts generated
11 during the wastewater treatment process; and

12 (g) segregated municipal solid waste,
13 excluding tires and medical and hazardous waste; and

14 (4) "biopower" means biomass converted to
15 produce electrical and thermal energy."

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